

Message Text

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ORIGIN EB-08

INFO OCT-01 NEA-10 ISO-00 L-03 FMC-01 CIAE-00 COME-00
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FM SECSTATE WASHDC
TO AMCONSUL ALEXANDRIA PRIORITY
INFO AMEMBASSY CAIRO PRIORITY

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E.O. 11652: N/A

TAGS: EWWT, E6

SUBJECT: FEDERAL MARITIME COMMISSION INVESTIGATION OF
ALLEGED ACTIONS OF ALEXANDRIA SHIPPING COMPANY

1. FEDERAL MARITIME COMMISSION (FMC) HAS REQUESTED
DEPARTMENT'S ASSISTANCE IN CONNECTION WITH ITS INVESTIGATION
OF ALLEGED ACTIONS BY EGYPTIAN-FLAG SHIPPING LINE WHICH
WOULD VIOLATE US SHIPPING LAWS AND WHICH HAVE REPORTEDLY
CAUSED HARDSHIP FOR EGYPTIAN IMPORTER.

2. SHIPPING LINE INVOLVED IS ALEXANDRIA SHIPPING COMPANY
(MAHMOUD ISMAILE, PRESIDENT), A COMMON CARRIER BY WATER IN
US FOREIGN COMMERCE SUBJECT TO REGULATION BY THE FMC
PURSUANT TO THE SHIPPING ACT OF 1916. SHIPPING ACT REQUIRES
SUCH CARRIERS TO FILE AND STRICTLY ADHERE TO TARIFFS NAMING
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ALL RATES AND CHARGES. ALEXANDRIA SHIPPING (ALEXSHIP) HAD
AND HAS IN EFFECT A RATE OF DOLLARS 4.40 PER CARTON FOR
APPLES. GLOBAL FOOD EXPORTERS, INC., LOS ANGELES SOLD
10008 CARTONS OF APPLES TO UNIVERSAL EXPORT IMPORT COMPANY,
33 SALAH SALEM ST., ALEXANDRIA AND TENDERED SHIPMENT TO
ALEXSHIP. ALEXSHIP OBTAINED AGREEMENT FROM CONSIGNEE TO
PAY A RATE OF DOLLARS 10.65 PER CARTON. HOWEVER, SHIPPING

ACT FORBIDS INCREASES IN RATES ON LESS THAN 30 DAYS' NOTICE, AND FMC SO ADVISED CARRIER'S AGENT (TILSTON ROBERTS, NEW YORK) PRIOR TO LOADING OF THE CARGO AT HOUSTON, TEXAS ON VESSEL M/V IHAB. WHEN GOODS WERE LOADED, BILL OF LADING WAS ISSUED SHOWING RATE AS DOLLARS 4.40 PER CARTON.

3. SHIPPER CONTACTED FMC ON DECEMBER 29 ADVISING THAT ALEXANDRIA SHIPPING WOULD NOT RELEASE CARGO TO CONSIGNEE UNLESS DOLLARS 10.65 PER CARTON RATE WAS PAID. FMC SENT FOLLOWING CABLE TO ALEXANDRIA SHIPPING:

QUOTE:

MAHMOUD ISMAILE, PRESIDENT
ALEXANDRIA SHIPPING AND NAVIGATION COMPANY
557 EL HORRIA AVENUE
ALEXANDRIA, ARAB REPUBLIC OF EGYPT

RE SHIPMENT 10,008 CARTONS FRESH APPLES FROM GLOBAL FOOD EXPORTERS INC. EX VESSEL IHAB ON HAND ALEXANDRIA. THE CORRECT AND LAWFUL RATE ON FILE WITH THIS COMMISSION IS DOLLARS 4.40 PER CASE. THE COLLECTION OF ANY OTHER RATE WOULD BE IN VIOLATION OF THE SHIPPING ACT, 1916 AND WOULD NECESSITATE THE ASSESSMENT OF PENALTIES. WE ARE ADVISING CONSIGNEE TO FILE FORMAL COMPLAINT WITH THIS COMMISSION. IN VIEW OF THE PERISHABLE CARGO INVOLVED WE LIMITED OFFICIAL USE

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URGE YOU TO COLLECT PROPER RATE AND RELEASE CARGO TO CONSIGNEE. REPLY BY RETURN WIRE IS REQUESTED.

UNQUOTE..

ALEXANDRIA SHIPPING REPLIED ON 12/31/77 AS FOLLOWS:

QUOTE:

RE CABLE CONCERNING SHIPMENT OF FRESH APPLES ON OUR M/V IHAB PLS NOTE WE ARE STILL STUDYING MATTER AND WILL REVERT (SIC) OUTCOME. REGARDS.

UNQUOTE..

4. ON JANUARY 3 FMC ADVISED BY SHIPPER THAT ALEXANDRIA SHIPPING STILL DEMANDING UNLAWFUL DOLLARS 10.65 RATE FROM CONSIGNEE. CONSIGNEE HAS NOW CONFIRMED THIS BY CABLE, WHICH QUOTES ALEXSHIP AS STATING FMC HAS NO AUTHORITY OVER EGYPTIAN FLAG VESSELS. ALSO, SHIPPER ADVISED IN VERBAL CONVERSATION THAT ALEXSHIP WAS DEMANDING CHECK COVERING PROPER RATE AND CASH FOR BALANCE SINCE FMC INVOLVED.

5. SHIPPING ACT OF 1916 PROVIDES FOR REGULATION OF ALL COMMON CARRIERS ENGAGED IN U.S. FOREIGN COMMERCE, WHETHER US OR FOREIGN FLAG, AND AS NOTED ABOVE, PROVIDES FOR

ASSESSMENT OF PENALTIES ON CARRIERS VIOLATING THE ACT. IN THIS CASE, HOWEVER, FMC IS MORE INTERESTED IN PROTECTING SHIPPING PUBLIC THAN IN IMPOSING PENALTIES.

6. CONSULATE IS REQUESTED TO CONTACT ALEXSHIP AND, IF YOU BELIEVE APPROPRIATE, GOE SHIPPING AUTHORITIES AND APPRISE THEM OF SERIOUSNESS WITH WHICH FMC VIEWS ALEXSHIP'S ALLEGED ACTIONS. CONSULATE SHOULD POINT OUT TO GOE AUTHORITIES THAT BASIS FOR FMC CONCERN IS ITS DESIRE TO INSURE THAT EGYPTIAN CONSIGNEE RECEIVES PRO-LIMITED OFFICIAL USE

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TECTION EXTENDED TO ALL SHIPPERS BY US SHIPPING ACT. IN VIEW OF PERISHABLE NATURE OF CARGO, DEPARTMENT WOULD APPRECIATE CONSULATE GIVING THIS CASE PROMPT ATTENTION.

7. FYI. DEPARTMENT IS UNAWARE OF WHETHER GOE SHIPPING AUTHORITIES POSSESS ANY REGULATORY POWERS PARALLEL TO THOSE OF FMC AND WOULD THUS HAVE LEGAL AUTHORITY TO LOOK INTO ALEXSHIP'S ALLEGED ACTIONS. IF GOE SHIPPING OFFICIALS TAKE POSITION THAT THEY HAVE NO AUTHORITY TO INVESTIGATE THE CASE AND THAT CONSIGNEE'S ONLY LOCAL REMEDY IS TO TAKE ALEXSHIP TO COURT, CONSULATE SHOULD NOT PRESS THE MATTER. CHRISTOPHER

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